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UNCLAS SECTION 01 OF 02 ABUJA 000926

SENSITIVE
SIPDIS

DEPT PASS TO USTDA-MARIN; EXIM-RICHTER
DEPT PASS USAID AFR/SD FOR CURTIS; ATWOOD; SCHLAGENHAUF
DEPT PASS USTR FOR AGAMA
BAGDAD FOR MCCULLOUGH
ROME PASS TO TSA - ANTHONY GIOVANNIELLO
DEPT OF TRANSPORTATION FOR FAA MEL CINTRON, AHARRIS
USDOE FOR GEORGE PERSON
TREASURY FOR PETERS AND HALL
DOC FOR 3317/ITA/OA/KAREN BURRESS AND 3130/USFC/OIO/ANESA/MCREED

E.O. 128

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SUBJECT: NIGERIA SIGNS INFRASTRUCTURE DEVELOPMENT AGREEMENT WITH GE

REF: 08 ABUJA 2324

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SENSITIVE BUT UNCLASSIFIED - NOT FOR Distro OUTSIDE USG

¶1. (SBU) SUMMARY: Ambassador joined General Electric (GE) Vice President John Rice at the State House on May 26, 2009 for a 30-minute courtesy call with President Yar'Adua and to witness the signing of a landmark Country-to-Company Memorandum of Understanding (MOU) agreement between the government of Nigeria (GON) and GE to assist with the sustained development of critical infrastructure in Nigeria. The document was signed by Rice and Minister of Justice Chief Michael Aondoakaa. On the eve of this signing, the GON placed an initial order for 25 GE locomotives at an estimated value of \$120 million, delivery scheduled for 2010. At the mid-afternoon courtesy call meeting, President Yar'Adua walked into the room with expected command and addressed the U.S. delegation. He was alert, poised, articulate, and frail (see Septel on more details on Yar'Adua's appearance. Ambassador had a short exchange with Yar'Adua after the signing.) END SUMMARY.

¶2. (SBU) Since the beginning of 2008 the Mission has worked with GE as the company explored the prospect of increasing its investment ties with Nigeria. Last November GE brought a 23 member executive delegation to Africa to explore business opportunities. GE's Sub-Saharan Africa (SSA) President Lazarus Angbazo told EconOff during the May 26 ceremony that Nigeria and Ghana are the only SSA countries where an investment incentive memorandum of understanding (IIMOU) has been committed. According to Yar'Adua, this IIMOU is a first for Nigeria. Yar'Adua thanked the Ambassador and the Mission for working with GE and the GON and stated that he is proud to be associated with GE, an honest and transparent partner, which will participate well in solving critical development challenges brought on by poor infrastructure. He added his sincere gratitude for the partnership.

¶3. (SBU) The agreement strengthens Nigeria's existing commercial relationship with GE, expanding possible opportunities to include railway infrastructure development and rehabilitation, oil and gas processing, distribution and transportation, electric power generation, water and wastewater treatment, healthcare, aviation and integrated safety and security systems. Today, GE has almost 200

employees in Nigeria based in offices in Lagos, a GE Oil & Gas Service Center in Port Harcourt, and a facility in Onne Port. In addition to leveraging GE's infrastructural competencies, the two parties are agreeing to explore creating technical and managerial employment opportunities for Nigerians. GE has agreed to mentor Nigeria with an initiative to change Nigeria's reputation globally through a compliance and integrity program. The agreement is valid from an initial period of 5 years and is conditionally renewable.

SUMMARY OF THE SPECIFIC AREAS OF INVOLVEMENT

14. (U) The IIMOU listed the following specific areas for cooperation:

-Railway infrastructure development for freight and passenger services:

--rehabilitation; maintenance and service; train control and communication systems; spare parts/components and tooling.

-Oil and gas processing, distribution and transportation.

-Electric power generation, bio-energy, cleaner energy, and energy conservation. (Note: GE has delivered more than 200 gas turbines to Africa with more than half located in Nigeria. End Note.)

-Water and waste water treatment infrastructure

-Improving healthcare access through infrastructure development

-Financial investments in Sovereign Instruments

-Aviation: (Note: In the aviation sector, GE Commercial Aviation Services (GECAS) and GE Aviation have a strong presence among leading

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Nigerian airlines. GECAS currently has seven aircraft on lease to Virgin Nigeria and Bellview Airlines with a value of approximately \$100 million and also recently concluded the sale of four B737NG series aircraft to Arik Air. In addition, GECAS has sold about 95 engines in Nigeria since 2006 with a list value of \$1 billion. End Note.)

--Aircraft engines

--Service and support

-Integrated safety and security systems. (Note: GE has a manufacturing plant for GE Security in South Africa. End Note.)

COMMENT

15. (SBU) COMMENT: GE's decision to come to Nigeria and explore business opportunities is very welcome. The IIMOU target areas complement the Mission pillars, our public-private partnerships and Yar'Adua's 7 Point Agenda. The Mission will continue to work closely with GE and Nigeria to ensure a successful and fruitful implementation of the MOU. END COMMENT

15. (U) This cable was coordinated with Consulate Lagos.

SANDERS